

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

FILED
OCT 12 2016
U.S. DISTRICT COURT-WVND
WHEELING, WV 26003

UNITED STATES OF AMERICA,

Plaintiff,

v.

DONNA S. BROWN,

Defendant.

Case No.

18 U.S.C. § 1341

18 U.S.C. § 1343

18 U.S.C. § 1956(a)(1)(A)(i)

Forfeiture

INFORMATION

The United States Attorney charges:

COUNT ONE

I. INTRODUCTION

At all times relevant to this Information:

1. Defendant DONNA S. BROWN owned and operated Budget Finance Company in New Martinsville, West Virginia, in the Northern District of West Virginia, which was a licensed and regulated consumer lender under the laws for the State of West Virginia.

2. In the course of her operation of Budget Finance Company, Defendant DONNA S. BROWN also operated an unlicensed investment business, soliciting investments and promising substantial rates of return, typically between 8% and 12%, upon those investments.

3. Defendant DONNA S. BROWN offered each investor the option of either receiving periodic interest checks or rolling accumulated interest back into the investment account, and also mailed each investor (a) quarterly statements purportedly accounting for interest paid, interest re-invested, and investment account balance and (b) Internal Revenue Service (IRS) Forms 1099 reflecting interest purportedly earned on each investment account.

4. Because no substantial investment source actually existed to account for well over 800 investment accounts with investments exceeding \$31 million, the funds that Defendant DONNA S. BROWN used for the checks paid as purported periodic interest to investors and the funds that she provided to those who made withdrawals from their investment accounts typically were derived from new investment funds being made by other investors.

5. Accordingly, the quarterly investment statements and IRS Forms 1099 created and mailed to investors by Defendant DONNA S. BROWN were false, fictitious and fraudulent, and copies of IRS Forms 1099 were not submitted to the IRS, as required by law.

II. SCHEME TO DEFRAUD AND ITS EXECUTION

6. From on or about December 31, 2005, and continuing thereafter until on or about November 20, 2015, in the Northern District of West Virginia, and elsewhere, Defendant DONNA S. BROWN unlawfully and knowingly devised and intended to devise a scheme and artifice to defraud investors of Budget Finance Company and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

7. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did transmit and cause to be transmitted via the United States Postal Service (USPS) promissory notes as well as other solicitations for investments that contained false and fraudulent representations.

8. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did receive investment funds in response to false and fraudulent representations that she had made.

9. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did transmit and cause to be transmitted to investors false, fictitious and fraudulent quarterly statements purportedly accounting for interest paid, interest re-invested, and investment account balances.

10. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did transmit and cause to be transmitted annually to investors an IRS Form 1099 purportedly accounting for interest earned on each investment account.

11. For the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud and with the intent to obtain money and property by means of false and fraudulent pretenses, representations and promises, on or about March 5, 2013, Defendant DONNA S. BROWN caused to be transmitted by means of wire, radio or television communication in interstate commerce from First Citizens Bank in Raleigh, North Carolina, to Progressive Bank in Wheeling, West Virginia, a wire transfer of funds in the amount of \$50,000.

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

I. INTRODUCTION

12. The allegations of paragraphs 1 through 5 of this Information are realleged and incorporated by reference as though set forth here in full.

II. SCHEME TO DEFRAUD AND ITS EXECUTION

13. From on or about December 31, 2005, and continuing thereafter until on or about November 20, 2015, in the Northern District of West Virginia, and elsewhere, Defendant DONNA S. BROWN unlawfully and knowingly devised and intended to devise a scheme and artifice to defraud investors of Budget Finance Company and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

14. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did transmit and cause to be transmitted via the USPS promissory notes as well as other solicitations for investments that contained false and fraudulent representations.

15. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did receive investment funds via the USPS in response to false and fraudulent representations that she had made.

16. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did transmit and cause to be transmitted via the USPS to investors false, fictitious and fraudulent quarterly statements purportedly accounting for interest paid, interest re-invested, and investment account balances.

17. It was part of the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that Defendant DONNA S. BROWN would and did transmit and cause to be transmitted annually via the USPS

to investors an IRS Form 1099 purportedly accounting for interest earned on each investment account.

18. For the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises, on or about July 1, 2014, Defendant DONNA S. BROWN knowingly placed or caused to be placed in an authorized depository for mail matter to be transmitted and delivered by the USPS according to the directions thereon a mailing from the Northern District of West Virginia to D.K. of 2537 Bedford Street, Johnstown, PA 15904.

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

I. INTRODUCTION

19. The allegations of paragraphs 1 through 5 and 13 through 17 of this Information are realleged and incorporated by reference as though set forth here in full.

II. MONEY LAUNDERING

20. On and after December 23, 2011, in the Northern District of West Virginia, Defendant DONNA S. BROWN conducted and attempted to conduct a series of financial transactions knowing that the property involved in those transactions, to wit, a \$50,000 investment from A.J.F. and S.L.F., represented the proceeds of specified unlawful activity, that is, mail fraud, and in so doing the said DONNA S. BROWN acted with the intent to promote the carrying on of that specified unlawful activity.

In violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

FORFEITURE

21. The allegations of Counts Two and Three of this Information are realleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of America pursuant to 18 U.S.C. §§ 982(a)(1) and (a)(2).

22. Upon conviction of any of the offenses as alleged in Counts Two and Three, Defendant DONNA S. BROWN shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1) any property real or personal, involved in an offense in violation of 18 U.S.C. § 1956(a)(1)(A)(i) as charged in Count 3; and pursuant to 18 U.S.C. § 982(a)(2) any property constituting, or derived from proceeds obtained as a result of any of the offenses as alleged in Count Two, said offense being mail fraud in violation of 18 U.S.C. § 1341, including but not limited to the following:

Union Bank account no. 11981 held in the name of River Rentals, Inc., containing approximately \$7,801.52; and

Wesbanco account no. 193071728 held in the names of Donna S. Brown and Darrell A. Brown, containing approximately \$15,567.27.

Forfeiture pursuant to 18 U.S.C. § 982(a)(1) and (a)(2) and Rule 32.2, Federal Rules of Criminal Procedure.

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